

Message Text

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INFO OCT-01 ISO-00 EB-07 COME-00 AGR-10 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-02 PRS-01

SP-02 SS-15 NSCE-00 SSO-00 USIE-00 INRE-00 /067 R

DRAFTED BY ARA/PAF:BBELL:JZ

APPROVED BY ARA/PAF:BBELL

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FM SECSTATE WASHDC

TO AMEMBASSY TEGUCIGALPA IMMEDIATE

INFO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

USCINCSO IMMEDIATE

UNCLAS STATE 081301

E.O. 11652:

TAGS:PFOR, HO

SUBJECT: SECRET PAYMENTS BY UB TO GENERAL LOPEZ

FOLLOWING IS EXCHANGE FROM STATE DEPARTMENT NOON BRIEFING,
APRIL 9, ON ABOVE SUBJECT:

Q: DO YOU HAVE ANYTHING ON AN INVESTIGATION INTO THE
REPORTED BRIBE OF THE HONDURAN PRESIDENT BY UNITED BRANDS?

A: WELL, I READ THIS VERY LONG PIECE TODAY. I THINK IT
WAS IN THE WALL STREET JOURNAL. WHAT CAN I GIVE YOU ON IT?
I MEAN, WHAT QUESTION DO YOU HAVE ON IT?

Q: WHATEVER YOU MAY HAVE. I UNDERSTAND GUIDANCE WAS BEING
PREPARED THIS MORNING ON THIS.

A: WELL, THERE WAS ONE THING IN THE WALL STREET JOURNAL
ARTICLE WHICH INDICATED THAT WE FIRST LEARNED ABOUT THIS
FROM OUR EMBASSY IN TEGUCIGALPA. THAT IS NOT ACCURATE.
WE LEARNED ABOUT IT FIRST FROM THE LAWYERS FOR THE UNITED
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BRANDS COMPANY, AND THEY ADVISED US OF THIS IN FEBRUARY.

THIS WAS FOLLOWING, AS I UNDERSTAND IT, THE DEATH OF MR. BLACK. AND I OUGHT TO ADD THAT OUR EMBASSY IN HONDURAS HAD NO INFORMATION AT ALL ABOUT THESE ALLEGATIONS UNTIL WE TOLD OUR EMBASSY THREE WEEKS AGO WHAT WE HAD LEARNED FROM THE COMPANY.

NOW, YOU MIGHT ASK: "DID UNITED BRANDS ASK FOR OUR ASSISTANCE IN THIS MATTER, AND ON WHAT GROUNDS?"

WELL, THEY DID ASK US FOR SOME ASSISTANCE, AND UNITED BRANDS HAD APPLIED TO THE SECURITIES AND EXCHANGE COMMISSION FOR CONFIDENTIAL TREATMENT WITH RESPECT TO CERTAIN INFORMATION WHICH WAS OMITTED IN THE COMPANY'S ANNUAL REPORT. AND THIS WAS PURSUANT TO, I AM TOLD, SECTION 24 (B) OF THE SECURITIES AND EXCHANGE ACT OF 1934. THEY ASKED THE DEPARTMENT TO TESTIFY AT THE HEARING THAT THEY REQUESTED.

WE DECLINED TO PARTICIPATE IN THAT PROCEEDING, AND WE SO INFORMED UNITED BRANDS OF THIS IN A LETTER DATED APRIL 3 FROM ASSISTANT WILLIAM ROGERS TO UNITED BRANDS' COUNSEL, WHICH IS COVINGTON AND BURLING HERE IN WASHINGTON.

Q: DID THEY SUGGEST A LINE OF TESTIMONY THEY WANTED THE STATE DEPARTMENT TO SUPPORT THEM ON?

A: THAT I DON'T KNOW. I DON'T KNOW ABOUT THAT.

Q: IS THAT ALL YOU KNOW ABOUT SO FAR -- THEIR REQUEST FOR THE STATE DEPARTMENT TO APPEAR AS A WITNESS?

A: YES. THAT IS ALL I HAVE AT THE MOMENT.

Q: YOU DON'T EVEN KNOW IF THEY SUGGEST THEY APPEAR AS A WITNESS ON BEHALF OF UNITED BRANDS?

A: NO. THAT IS MY ASSUMPTION THOUGH, OR ELSE THEY WOULDN'T HAVE ASKED US.

Q: NO -- THERE ARE OTHER WAYS. BUT OUR EFFORT -- YOU HAVE NOTHING MORE ON THAT?

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A: NO, I DON'T HAVE ANY MORE, BUT IF I GET SOME MORE DATA I'LL INFORM YOU.

Q: YOUR DATING OF WHEN THE EMBASSY IN TEGUCIGALPA WAS INFORMED LEAVES A GAP OF ANYWHERE FROM TWO TO SIX WEEKS BETWEEN THE TIME THAT YOU WERE TOLD BY THE COMPANY LAWYERS AND YOU INFORMED THE EMBASSY. CAN YOU TELL US WHY

THERE WAS THAT GAP?

A: I CAN'T TELL YOU NOW, BUT LET ME LOOK IN AND SEE IF I
CAN GET A LITTLE MORE OF A PICTURE ON IT. I JUST GOT THIS
GUIDANCE BEFORE I CAME DOWN, IN LIGHT OF THE STORY TODAY,
BECAUSE THERE WAS THIS CONFUSION EVIDENTLY THAT THE

EMBASSY TOLD US -- WHICH WASN'T CORRECT -- THAT WE ENDED
UP TELLING THE EMBASSY. - - -

LET ME SEE WHAT I CAN GET, HENRY. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BRIBERY, DEBT REPAYMENTS, BRIEFING MATERIALS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE081301
Document Source: CORE
Document Unique ID: 00
Drafter: BBELL:JZ
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750124-0057
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750465/aaaaciae.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUN 2003 by RuthemTJ>; APPROVED <11 FEB 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SECRET PAYMENTS BY UB TO GENERAL LOPEZ FOLLOWING IS EXCHANGE FROM STATE DEPARTMENT NOON BRIEFING
TAGS: PFOR, HO, US, UNITED BRANDS, (LOPEZ ARELLANO, OSWALDO)
To: TEGUCIGALPA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006